

## Message Text

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47

ACTION EB-11

INFO OCT-01 EA-11 ADP-00 AGR-20 CIAE-00 INR-10 LAB-06

NSAE-00 RSC-01 STR-08 TRSE-00 CIEP-02 OMB-01 L-03

RSR-01 /075 W

----- 110830

R 190221 Z APR 73

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 8355

USDOC WASHDC

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EO 11652 : N/ A

TAGS: ETRD, TW

SUBJECT: US CUSTOMS PROHIBITION OF IMPORTS UNDER TEXTILE QUOTA  
ITEM 64.

1. EMERALD ENTERPRISES, INC., AS US COMPANY MANUFACTURING  
NEEDLEPOINT KITS ON TAIWAN, IS FACING A SERIOUS FINANCIAL  
CRISIS RESULTING FROM A DECISION BY US CUSTOMS AUTHORITIES  
IN LOS ANGELES AND NEW YORK TO DISALLOW IMPORT OF NEEDLE-  
POINT KITS UNLESS INVOICES COMBINE THE COTTON AND PAINT CONTENT  
INTO A SINGLE DUTIABLE CATEGORY. ACCORDING  
TO EMERALD OFFICIAL THE FIRM HAS EXPORTED NEEDLEPOINT KITS  
SINCE 1970 WITH THE SPECIAL CUSTOMS INVOICE LISTING THE  
WEIGHT AND VALUE OF THE COTTON CANVAS AND A SEPARATE  
ITEM SHOWING THE WEIGHT AND VALUE OF THE PAINT WHICH IS  
APPLIED TO THE COTTON TO MAKE THE NEEDLEWORK DESIGNO .  
DUTY IN THE PAST WAS ASSESSED AT 14 PERCENT FOR COTTON  
AND 12 PERCENT FOR PAINT. AT END OF JANUARY THE LOS  
ANGELES CUSTOMS OFFICE, WITHOUT PREVIOUS NOTICE, REFUSED  
TO CLEAR A SHIPMENT OF KITS. CUSTOMS INFORMED THE IMPORTER  
THAT BOTH THE COTTON AND PAINT MUST NOW BE INCLUDED AS A  
SINGLE ITEM ON THE SPECIAL CUSTOMS INVOICES. SUBSEQUENTLY  
THE NEW YORK CUSTOMS OFFICE ALSO HELD UP A SHIPMENT FOR  
THE SAME REASON.

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2. GRC REFUSES TO ALLOW EMERALD TO COMBINE TWO  
PRODUCTS

BECAUSE IT WOULD DECREASE THE AMOUNT OF TAIWAN'S PERMISSIBLE  
TEXTILE QUOTA UNDER ITEM NUMBER 64 BECAUSE OF THE  
ADDITIONAL WEIGHT WHEN PAINT IS INCLUDED ALONG WITH THE WEIGHT  
OF COTTON CANVAS.

3. EMBASSY WOULD APPRECIATE ANY BACKGROUND INFORMATION  
DEPT CAN PROVIDE RE CUSTOMS DECISION MENTIONED ABOVE.

4. IF EMERALD NOT PERMITTED TEMPORARY REPRIEVE, THIS  
COMPANY MAY BE FACED WITH BANKRUPTCY OR, AT VERY LEAST, STANDS  
TO LOSE CUSTOMERS AND GREAT DEAL OF MONEY. IS  
THERE POSSIBILITY THAT CUSTOMS, PENDING RESOLUTION OF  
THIS ISSUE, WOULD CONSIDER PERMITTING ENTRY OF THOSE  
SHIPMENTS NOW IMPOUNDED AND WHICH WERE ENROUTE AT TIME  
DECISION MADE TO LUMP COTTON AND PAINT TOGETHER AS ONE  
ITEM? BOARD OF FOREIGN TRADE PROBABLY WILL RAISE MATTER  
WITH DEPT THROUGH ROC EMBASSY.  
MCCONAUGHY

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 19 APR 1973  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Reason:**  
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